



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

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Justin P. Wilson
Comptroller

January 21, 2010

Ladies and Gentlemen:

I want to thank each of you for your comments on our first draft of a Model Debt Policy for Tennessee governments.

In reviewing the comments, there was a recurring concern that the draft was written so that "one size fits all." Even at this initial stage of our review, it is clear that this concern is legitimate. The comments indicated that there are wide differences in sophistication, resources, and needs among the issuers and that the draft does not address the differences. It also appears that some of our communities do not recognize the risks that are currently being incurred with the use of debt.

An additional concern voiced was a requirement that every county and municipality adopt the same specific debt management policy outlined in the draft. This was not my intention. Upon reflection, I understand the basis for this concern and I regret the misunderstanding. This will be clarified.

Furthermore, there were numerous excellent suggestions and corrections both in style and substance.

I will be asking some of you, as you suggested, for input and would appreciate all the help and suggestions any of you may have. Based upon the comments we have already received and will receive there will be a new draft Model Policy that we will present for public comment. Only then will we consider submitting a proposal to the State Funding Board; this is the body that will decide if any policy will be adopted and what that policy shall contain.

Again, I thank you for your comments. Your participation is essential to achieve what the people of Tennessee deserve.

Sincerely,

Justin P. Wilson, Comptroller of the Treasury